

Biweekly Audit Summary
Region 6
November 17, 2017

Office of Inspector General (OIG) - Region 6 as the Action Official

OIG Audit of City of Houston's Use of Funds and Contracting Practices Under the Clean Water State Revolving Fund Program-Kickoff Meeting: The OIG held the kickoff meeting on November 15, 2017. Region 6 attendees were Claudia Hosch, David Reazin, Barbara Schrodt, Lorraine Dixon and Josephine Hah. Sheila Platt, the Office of Water, also called in. The objectives in the audit are to determine whether: Federal CWSRFs are being properly used to fund eligible projects; contracts awarded for CWSRF projects are in compliance with applicable eligibility requirements; and, the city of Houston adequately monitors and appropriately reports the results of its prime contractor's use of Minority and Women Business Enterprises. The OIG will contact the City of Houston followed by the Texas Water Development next. Region 6 has provided the EPA Annual CWSRF Program Evaluation Reports for SFYs 2013 – 2016 to the OIG prior to the meeting. The SFY 2017 on-site review is scheduled for March 2018. Claudia Hosch, Assistance Programs Branch, 6WQ-A, is the point of contact.

OIG Abandoned Uranium Mines in the Navajo Nation-Project Notification: The Action Officials are the Office of Land and Emergency Management, Office of Enforcement and Compliance Assurance, Region 6 and Region 9. On November 16, 2017, the OIG plans to begin preliminary research to examine aspects of the EPA's management of abandoned uranium mine sites in the Navajo Nation. The evaluation objectives are to determine whether the EPA has a method for prioritizing cleanup of the 50 abandoned uranium mine sites in the Navajo Nation covered under a \$990 million special account from 2015; and whether the EPA has a resource allocation methodology for the special account funds that accounts for estimated cleanup costs, timeframe for cleanup, and scope of cleanup for the 50 sites. The objective questions are preliminary and subject to change if the OIG moves into the fieldwork phase of the evaluation. The OIG plans to conduct work at EPA headquarters and Regions 6 and 9. The OIG will schedule a kickoff meeting and requests any any internal EPA policies, procedures or guidance for management of uranium mine sites in the Navajo Nation provided to them at or before the meeting. Chris Villarreal, Risk & Site Assessment Section 6SF-TR, is the point of contact.

Office of Inspector General Agencywide

Final Report-EPA's Fiscal Years 2017 and 2016 Consolidated Financial Statements: The report was issued on November 15, 2017. The OIG rendered an unmodified opinion on the EPA's consolidated financial statements for fiscal years 2017 and 2016, meaning EPA's financial statements were fairly presented and free of material misstatement. The OIG noted the following material weaknesses:

- The EPA's accounting for software continues to be a material weakness.
- The EPA incorrectly recorded unearned revenue for Superfund special accounts and did not reconcile unearned revenue for those accounts.

The OIG noted the following significant deficiencies:

- Additional efforts are needed to resolve the EPA's cash difference with the U.S. Treasury.
- The EPA needs to appoint a Project Manager to oversee the management of Compass Financials, which is the agency's accounting system, and to improve acquisition planning.

The OIG did not note any significant noncompliance with laws and regulations. The EPA agreed with the findings and recommendation and expects to complete the corrective action in fiscal year 2018.

Audit of EPA File Server Security (Project No. OA-FY17-0138): The OIG restarted this audit on October 30th after suspending it on April 28th due to their mandatory Chemical Safety Board Federal Information Security Management Act audit. The OIG will now be wrapping up preliminary research before proceeding to fieldwork and may contact OEI for additional information. Back in February a survey was completed by the information technology director of each program and by all regional office.

Human Resources Shared Service Centers: On November 17, 2017, the OIG issued the discussion document to the Office of Administration and Resources Management with 4 potential recommendations. Region 6 is included in the data for the regional human resources staff. The OARM has the opportunity to respond with comments by December 11, 2017. Ray Rodriguez, Management Division, 6MD, is the point of contact.

Government Accountability Office (GAO) Agencywide

Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Actions On or Near Tribal Lands-102047: On November 15, 2017, the GAO has decided to proceed with a case study of the Jackpile-Paguate Uranium Mine site. The GAO is interested in the tribal consultation and cleanup planning that occurs early in the Superfund process. The GAO will schedule a 90-minute meeting with Region 6 to learn more about the site and its impact on the Laguna Pueblo, as well as the Region's general Superfund-related work with tribes. Specifically, the GAO plans to discuss Region 6's consultation with Laguna Pueblo regarding the Jackpile-Paguate Uranium Mine, our Region's general process for Superfund-related tribal consultation, how tribal consultation differs based on a Superfund site's proximity to tribal land, and how Region 6 tracks and oversees Superfund sites known to impact tribes. Questions for Jackpile case study will be forthcoming. The GAO is considering visiting the site in early to mid-January 2018 and is asking us to provide a point of contact for Laguna Pueblo. As a separate focus, the GAO has sent questions on identification and tracking of sites on or impact tribal land, which are due December 5th (Ben Banipal, John Meyer POCs). Pam Phillips, Superfund Division, and Randy Gee, Tribal, are the points of contact.